



## Washington State Liquor Control Board

### Craft Distillery Operation Licensee Acknowledgement

Licensee name: \_\_\_\_\_ License No. \_\_\_\_\_

I understand that in order to obtain and maintain a license for operation of a craft distillery, I must provide required information and meet the following requirements outlined in state law (RCW 66.24.140, RCW 66.24.145, and applicable WACs).

- Craft distillery is located at \_\_\_\_\_ with a mailing address of \_\_\_\_\_.
- Pricing shall be determined by the Washington State Liquor Control Board (WSLCB) and the craft distillery shall sell only their own liquor to retail customers, as limited by RCW 66.24.145:
  - Prices for selling product to the Board must be submitted to the Purchasing Division at least 45 days prior to the first day of the effective pricing month.
  - Pricing cannot be changed within a calendar month.
  - Retail price will be determined by the WSLCB.
  - Any on-premises sales or samples provided to consumers are considered sales reportable to the WSLCB.
  - Sampling to customers on the distillery premises is limited to 0.5 oz. per sample, and a total of 2 oz. per person per day and the server must have a valid class 12 alcohol server permit.
  - Sales to consumers from the distillery premises are limited to two liters per person per day.
  - Samples provided to retailers are considered sales and must be in compliance with RCW 66.28.040 and all applicable WACs, including 314-44-005 and 314-64-08001.
- Production reporting forms will be provided by the WSLCB to facilitate distiller reporting of production quantities, raw materials used and source, quantities sold outside the state of Washington, quantities sold to consumers and quantities used for samples to consumers and retailers.
  - Reports are due monthly by the 20<sup>th</sup> for the previous month's sales and will include a remittance of the difference between the cost of the alcohol purchased by the WSLCB and the sale of the alcohol at the established list price, less the established commission rate.
  - Commission rates will be paid on retail sales made on the premises to customers of the Craft Distiller's own product and will be set forth by the WSLCB and approved by the WSLCB and Office of Financial Management (OFM) in accordance with RCW 66.08.026.
- Late or incorrect reports will be assessed a penalty or late fee based on a rolling 12 month period.
  - A penalty of two percent (2%) per month will be assessed on any payments postmarked after the twentieth (20<sup>th</sup>) day of the month following the month of sale.

- A penalty of two percent (2%) per month will be assessed on any amounts owed on incorrect reports.
- When monthly reports are submitted or missing more than 30 days past the required filing date, administrative violations will take place per WAC 314-29-035.
- The Board may require a surety bond for non-compliance with reporting requirements.
  - The surety bond will be for \$3000 or the total of the highest four months' worth of tax liability for the previous twelve month period (whichever is greater).
  - Surety Bond will be required to be obtained within twenty one (21) days after an administrative violation for the following:
    - A report or payment is missing (more than 30 days past the required filing date) for two or more consecutive months
    - A report or payment is missing two or more times within a two year period
    - Return of payment for non-sufficient funds
- Liquor products produced by the craft distillery may be listed by the WSLCB at their sole discretion, through the standard listing process. The WSLCB does not guarantee any product produced under this license will be stocked and sold in state liquor stores.
- The Craft Distillery shall:
  - Comply with all applicable local, state and federal laws and regulations that affect the operation of a business in the State of Washington
  - Not sell liquor to a consumer at a location other than the licensed distillery premises
  - Not sell, give or otherwise supply an alcoholic beverage to any person under legal drinking age or any person apparently under the influence of an alcoholic beverage
  - Maintain production, inventory and sales records for 2 years and are subject to inspection or WSLCB audit at any reasonable time
  - Be responsible for all employee training as outlined in RCW 66.20.300 and 310
  - Not have a direct or indirect financial interest in any retail liquor business
  - Not give away product other than sampling as defined in RCW 66.24.145
  - Submit a copy of all federal distiller permits required by the federal government
  - Ensure a minimum of 50 percent, by volume, of all raw materials (including any neutral grain spirits) used in the production of the spirit product is grown in the state of Washington per RCW 66.24.140
  - Report production to WSLCB, in proof gallons.

**By signing this form, I acknowledge my understanding of the above and any violation of this statement is cause for denial of a craft distillery license or revocation of any liquor licenses currently held.**

Name (print)	Title	Signature
Signature of sole proprietor, partner, officer, Stockholder, LLC member		Date